

Renewal of Shibuya PARCO

- A one and only cultural center for fashion, art, and entertainment

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PARCO Co., Ltd.**

July 14, 2025

1. History of Shibuya PARCO (1st Generation)

The birth, growth, and temporary closure of Shibuya PARCO (1973-2016)

01 | Birth of Shibuya PARCO 1973

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- Opening in 1973. Shibuya PARCO was launched to be more than just a building, but a space where people come together. Although located in a quiet area with only a ward office nearby, Shibuya PARCO established a youth culture in Japan and brought the development of a new market.
- PARCO opened its doors during the heyday of department stores, positioning itself as a “fashion building.” As Japanese consumer culture matured, PARCO viewed fashion not simply as clothing, but a function of self expression.
- After that, underground theaters, mini-cinemas, live music venues, art galleries, and other cultural facilities continued to be established within Shibuya PARCO and in the surrounding streets. Shibuya developed into the center of Tokyo culture.



Eiko Ishi Posters (1973)



Exterior view (1977)



02 | Collaboration with domestic brands expanding overseas

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- PARCO has been developing Japanese fashion since the 1970s. PARCO produced fashion brands active on global fashion scene, such as Comme des Garçons, Yohji Yamamoto, and Issey Miyake.
- In recent years, many world-renowned designers, such as Martin Margiela and John Galiano, are said to have been influenced by Japanese fashion brands.



ISSEY MIYAKE SHOW at PARCO MUSEUM (1973)



Comme des Garçons, Shibuya PARCO Store



Yohji Yamamoto x Kazumi Kurigamai

03 | Promoting advertising creativity to the world

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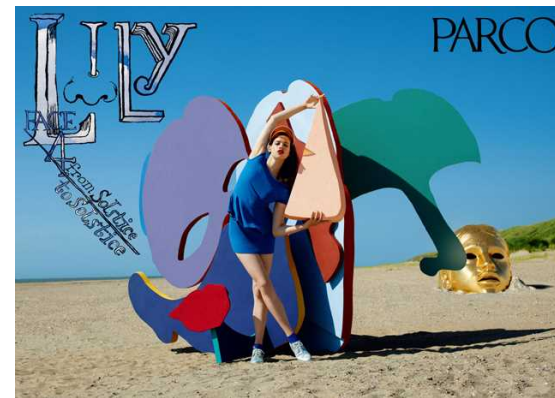


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- Since the 1970s, Parco has been a driver in the Japanese advertising scene, winning numerous international advertising awards and becoming one of the companies that represents the cutting edge of Japanese advertising.
- Many world-renowned creators and artists who are still active today, such as “TOMATO” and “M/M Paris,” have attested that they were influenced by the uniqueness and sensibility of Parco's advertising ad works from the 1970s to the 1980s.



Max Siedentopf (2023)



M/M (Paris) (2018)



PARCO advertising (1980s)



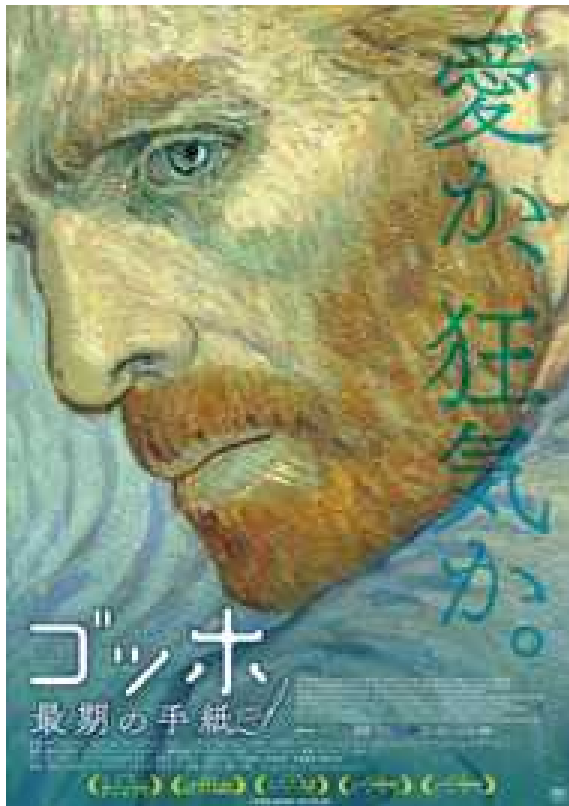
04 | Our Commitment to the Film Industry

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- Since the 1990s, we have produced and purchased independent films from Japan and abroad, screening them at Shibuya PARCO. In addition to widely distributing films within Japan, we support domestic filmmakers, promoting creativity and diversity in storytelling.



05 | Art Galleries

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- PARCO provides various types of galleries where artists from Japan and abroad can exhibit their works, disseminating artworks and cultural content on various themes such as art, design, and fashion to the world.



THE TOMATO PROJECT (2016)



KAWS TOKYO FIRST (2001)



Nick Walker, "VANDALISM" (2016)



UNDERWORLD LIVE at
ROOFTOP of SHIBUYA PARCO (2016)

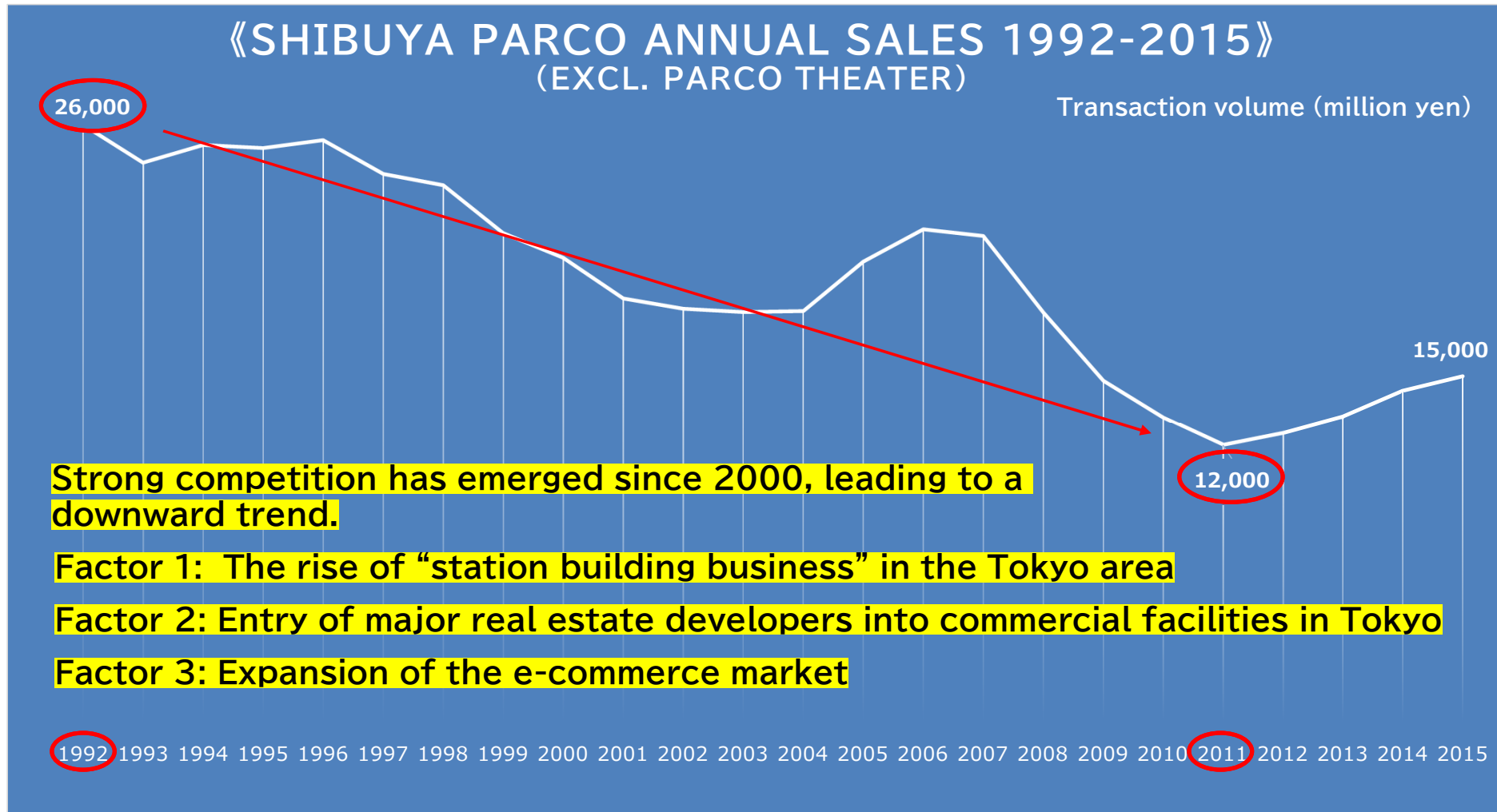


MDICOM TOY Exhibition (2014)



SHIBUYA PARCO construction site (2017-2019)

06 | Difficult conditions since 2000 (decline in sales after the bubble economy)



⇒ What is the mission of Shibuya PARCO?

-1st Generation SHIBUYA PARCO closes in July 2026



2. Rebuilding Shibuya PARCO (2nd generation)

—Strategy and merchandising for the new Shibuya Parco (2019-)

07 | First things first

Why aren't sales growing?



Issue 1. Lack of foot traffic due to the 10-min walk from Shibuya Station

⇒ Failing to attract as many customers as mixed-use station building complexes or major shopping malls. Vicious cycle: few visitors = decreased sales = difficulty attracting tenants

Issue 2. Brands with unique but low-selling products are predominant

⇒ Many brands (mainly domestic brands) that have worked with us for many years lack enthusiasm for expanding sales, despite their individuality, uniqueness, and compatibility

Issue 3. Copying rivals without establishing a competitive advantage

⇒ Similarities with competitors are increasing, and we are losing the strength of our unique sales floors

Issue 4. Shortage of personnel

08 | Strategy & philosophy of NEW SHIBUYA PARCO

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<Strategy for reconstructing Shibuya PARCO>

- A) Uniqueness, competitive differentiation
- B) Offering next-generation fashion
- C) Experiential consumption/entertainment, art, food
- D) Inbound tourism
- E) ICT utilization
- F) Incubation
- G) Sustainability

<Looking back on Shibuya PARCO's DNA>

○ NOT mainstream

⇒We support counterculture, youth culture, subculture

○ Generating new markets

⇒Our strategy is product output, not market input

○ A safe space for creators and designers

⇒We build deep connections with creators/tenants to create unique combinations and sales floors that don't exist anywhere else

○ Understand fashion's place in culture

⇒Interconnection with cultures that shape fashion, such as music, movies, and art

~Global niche store to the world~ [All Ages, Any Gender, Totally cosmopolitan]

Core MD (1): Fashion

→ Seeking strength in a wide range of fashion genres, from luxury and collection brands to street and Lolita fashions

Core MD (2): ART

→ Over 100 exhibitions per year in eight art galleries, an art goods shop, and art events

Core MD (3): ENTERTAINMENT

→ Enhancing experiential value through “theater,” “cinema,” “rooftop park,” “record bar,” and “live streaming studio”

Core MD (4): COMMUNICATION OVER FOOD AND DRINK

→ Creating the “Shibuya PARCO Community” through communication at restaurants, record shops, galleries, and LGBTQ+ bars

Core MD (5): TECHNOLOGY⇒IP (intellectual property)

→ Information dissemination, brand image building, and operational improvement

09 | Core MD (1) : Fashion (2019~)

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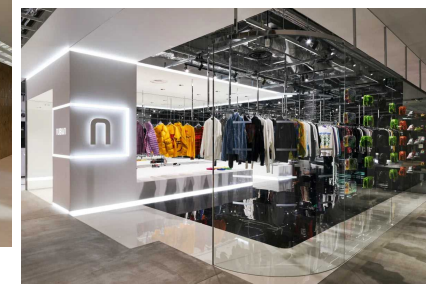
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(1) Luxury & High brand (first try in PARCO)



(2) Japanese Collection Brands



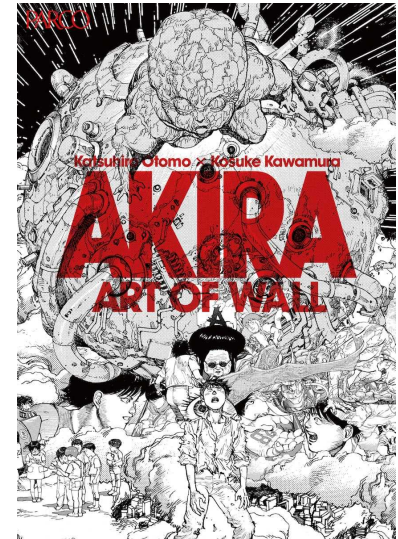
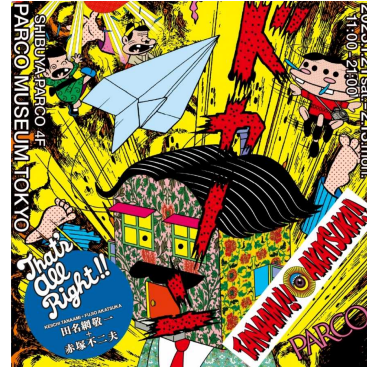
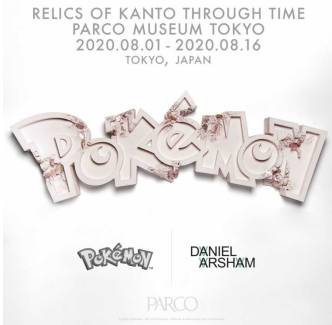
(3) Streetwear brand (Japan & global)

10 | Core MD (2) : Art (2019~)

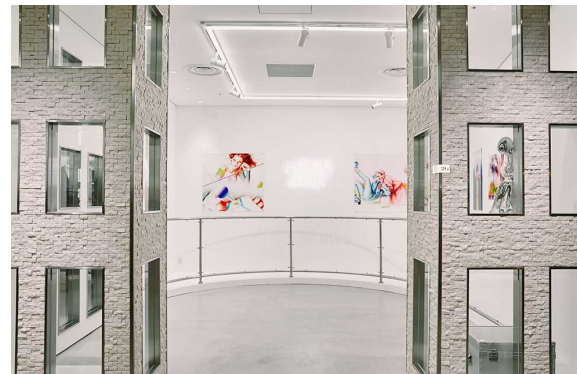
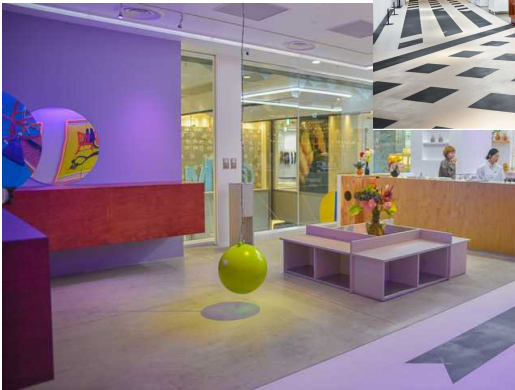
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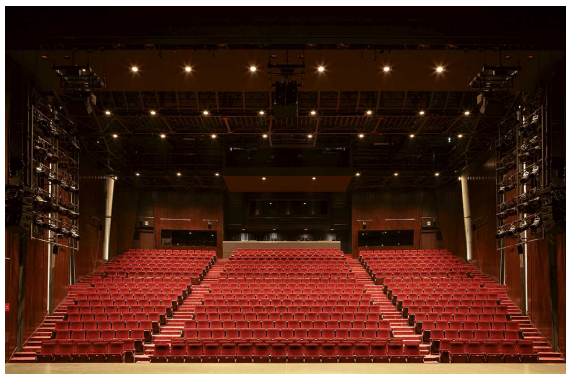
(1) PARCO directly-managed gallery



(2) Tenant Operation Gallery

11 | Core MD (3) : Entertainment (2019~)

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(1) Theater (656 seats)



(2) Movie theater (108 seats)



(3) Record Bar/Live streaming studio (DOMMUNE)

12 | Core MD (4) : Food and Drink (2019~)

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Äta's Oven (Bistro)



Hamanoya /Campy Bar! (Vegan fried chicken/LGBT+ BAR)



Kiwamiy (aWagyu hamburger steak)



ON THE CORNER (Dinner)



Nyam Nyam (Korean Bistro)



Oniyanma (Japanese Udon)



Delifocious (Fish Burger)



QUATTRO LABO (Music bar)



KIKU (Tempura)



Kometocircus (Insect&Gibier bar)



Jikasei MENSHO (Vegan Ramen)



GAN BAN (Music goods)



Gallery X (Gallery)



Union record (Record shop)

13 | Core MD (5) : TECHNOLOGY⇒IP (intellectual property) (2019~)

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(1) Mega Game IP store



(2) Japanese characters store

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3. 2025: Major renovation and renewal with a call for demolition

Large-scale renovation of 80 or more plots

16 | 2025 Renewal Theme

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Shibuya PARCO is consistently aware of emerging sources of energy and the needs of the next generation. We undergo continuous renovation.

As for the past 50 years, we will embrace a philosophy of “deconstruction” and “reconstruction” to create new value.

In 2025, we will embody the vision expressed by our founder, Michiji Masuda, just four years after Shibuya PARCO opened in 1977.

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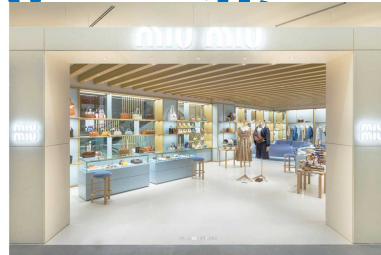
17 | Fashion (1) (2025~)

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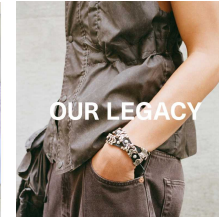


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Fashion



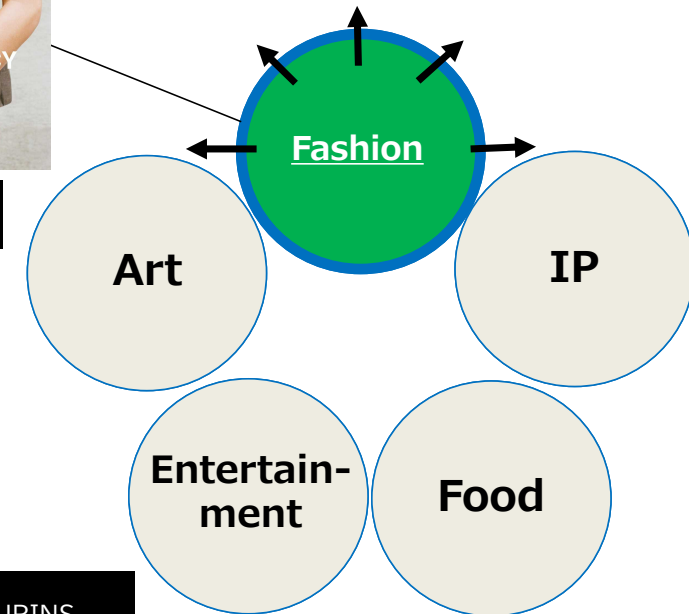
① 1F-2F / Global luxury and collection brands Miu Miu, CELINE, MARNI, Stella McCartney, Comme des Garçons



② 3F / Advanced contemporary GANNI, JW ANDERSON, MM6, Y's, TANAKA



③ 1F-2F / Fragrances related to fashion BYREDO, Hermes, le labo, SHIRO, TAMBURINS



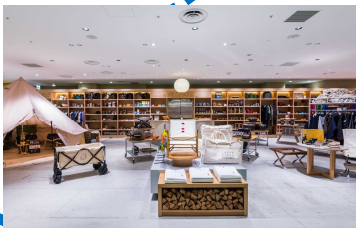
18 | Fashion (2) & Art Contents (2025~)

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Fashion & Art

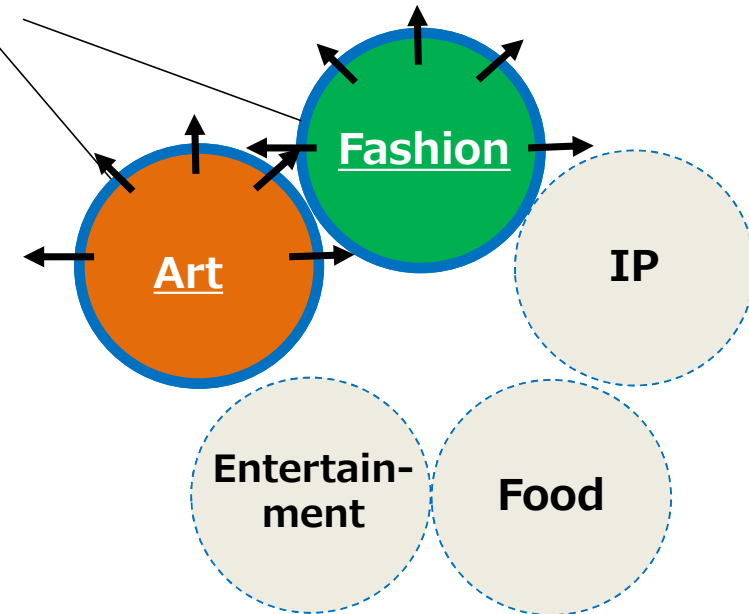


④ Chaos culture geek

A culture influenced by otaku, anime, and internet culture. It encompasses a wide range of items, from radio-controlled cars to cassette tapes and stuffed rabbits.



⑤ Sustainable & Vintage VCM, SKWAT, Upcyclelino, cotopaxi



19 | IP (Intellectual Property) (2025~)

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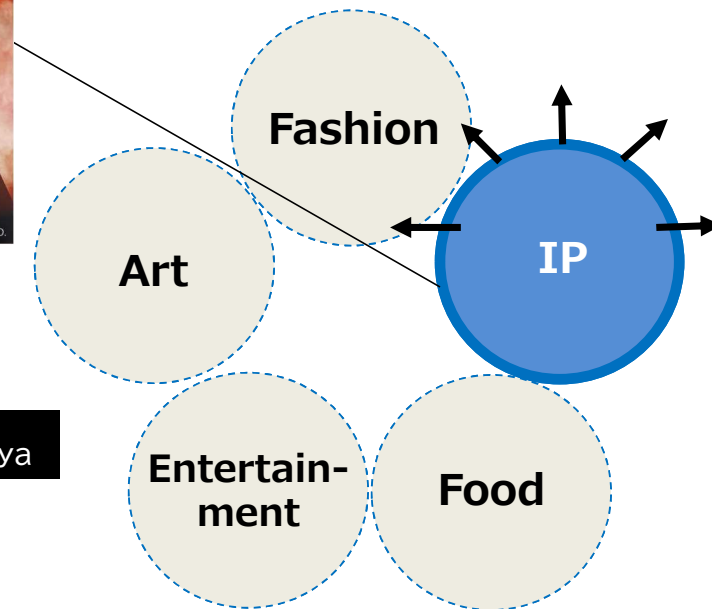


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IP (Intellectual Property)

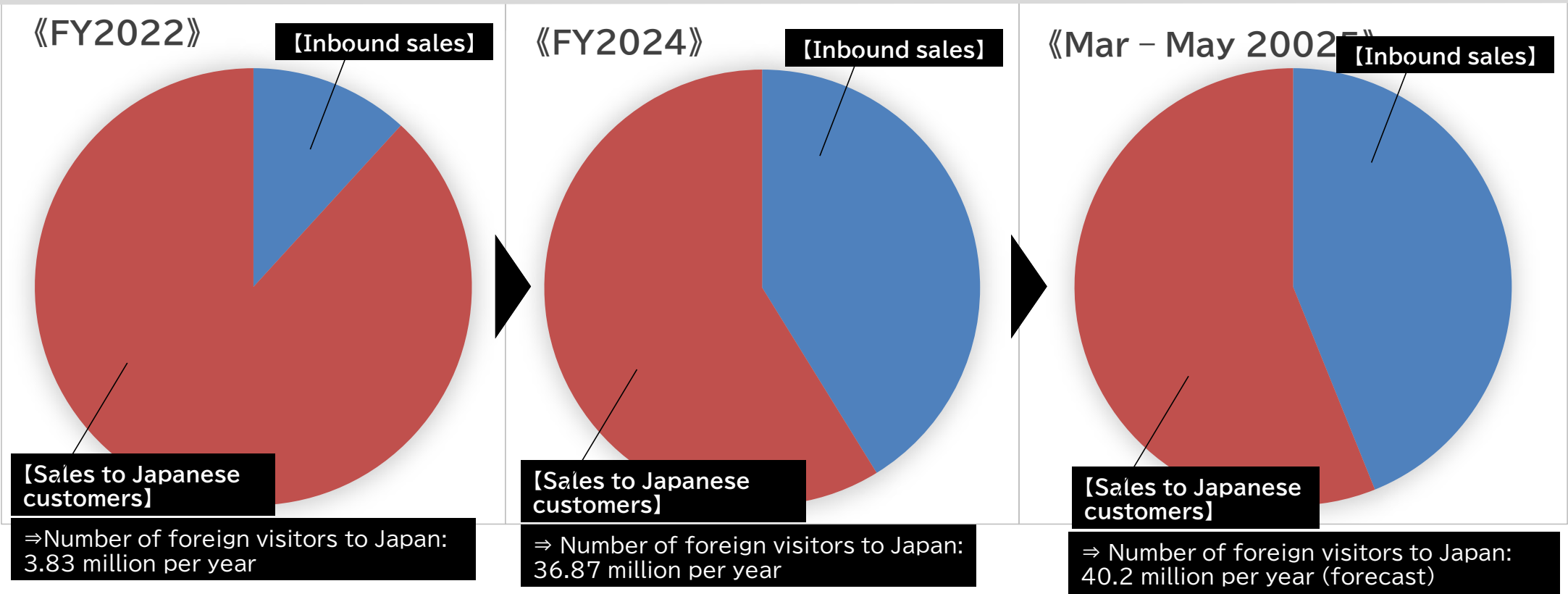


⑥ 6F / New IP Stores THE★JOJO WORLD、SEGA STORE TOKYO、ゴジラ・ストア Shibuya



4. Change in Sales After the Rebuilding of Shibuya PARCO

20 | Change in Domestic/Inbound sales at Shibuya PARCO (FY2022-2025)



- ✓ 2022 fiscal year: Market share of sales volume: Over 10% ⇒ 2025 fiscal year 1Q: Over 40%, a significant expansion
- ✓ In addition to IP, the company has maintained strong inbound sales through the introduction of “Advanced Contemporary,” “Collection Brands,” and “Street & Culture Theme High Value-Added Brands” on the 2nd and 3rd floors between 2023 and 2025.
- ✓ Duty free share by tenant in Q1 of fiscal year 2025: 2F UNDERCOVER 60% / 2F AMI 40% / 3F THE NORTH FACE LABO 80% / 3F kolor 60% / 3F beautiful people 50% / 3F JW ANDERSON 40%

※ Inbound sales are calculated as the total of overseas-issued credit cards and Chinese mobile payment methods.

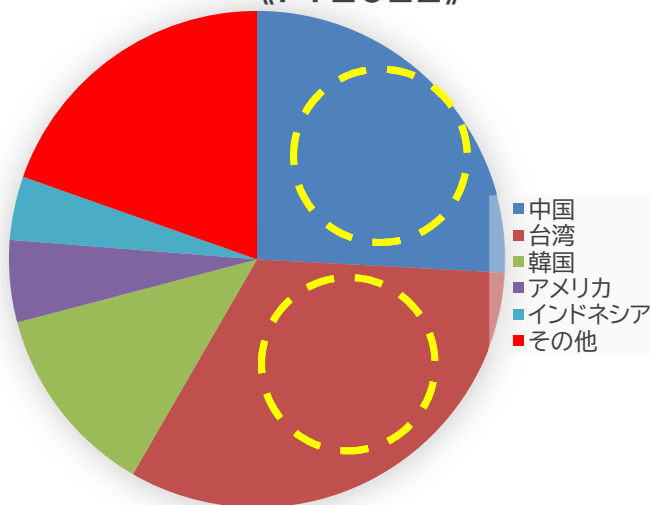
21 | Changes in sales composition by country/region at Shibuya PARCO (FY2022-2025)

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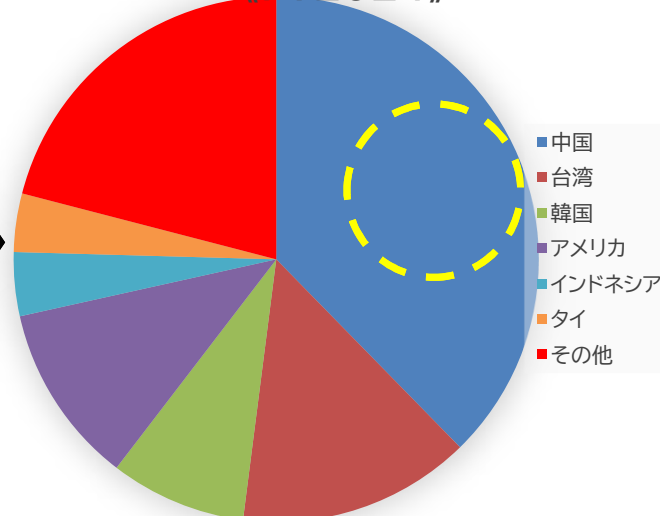


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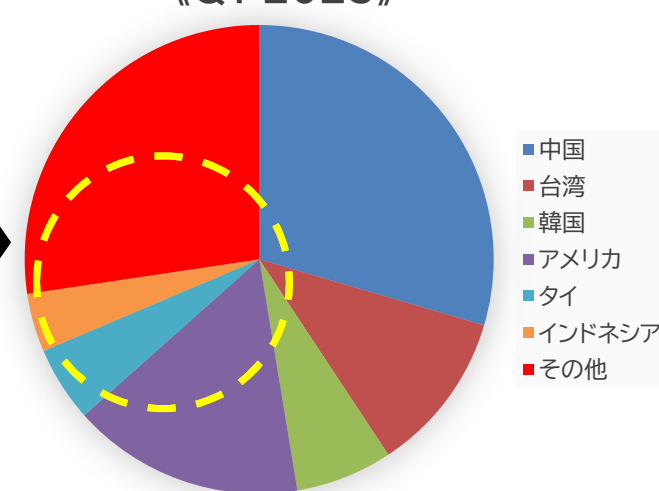
《FY2022》



《FY2024》



《Q1 2025》



⇒ Number of foreign visitors to Japan: 3.83 million/year

⇒ Number of foreign visitors to Japan: 36.87 million/year

⇒ Number of foreign visitors to Japan: 40.2 million/year (forecast)

- ✓ In fiscal year 2022, Taiwan and South Korea stood out as core customer segments among the 3.83 million travelers.
- ✓ Expansion of China market share in FY2024 (easing of Chinese visa restrictions).
- ✓ In fiscal 2025, the nationality mix will diversify. In fiscal 2022, East Asia (China, Taiwan, and South Korea) accounted for over 70% of the share, but by the first quarter of fiscal 2025, this is expected to drop to just under 50%, with an increase in customers from the United States and Southeast Asia, leading to a broader expansion of visitors from various countries and regions.

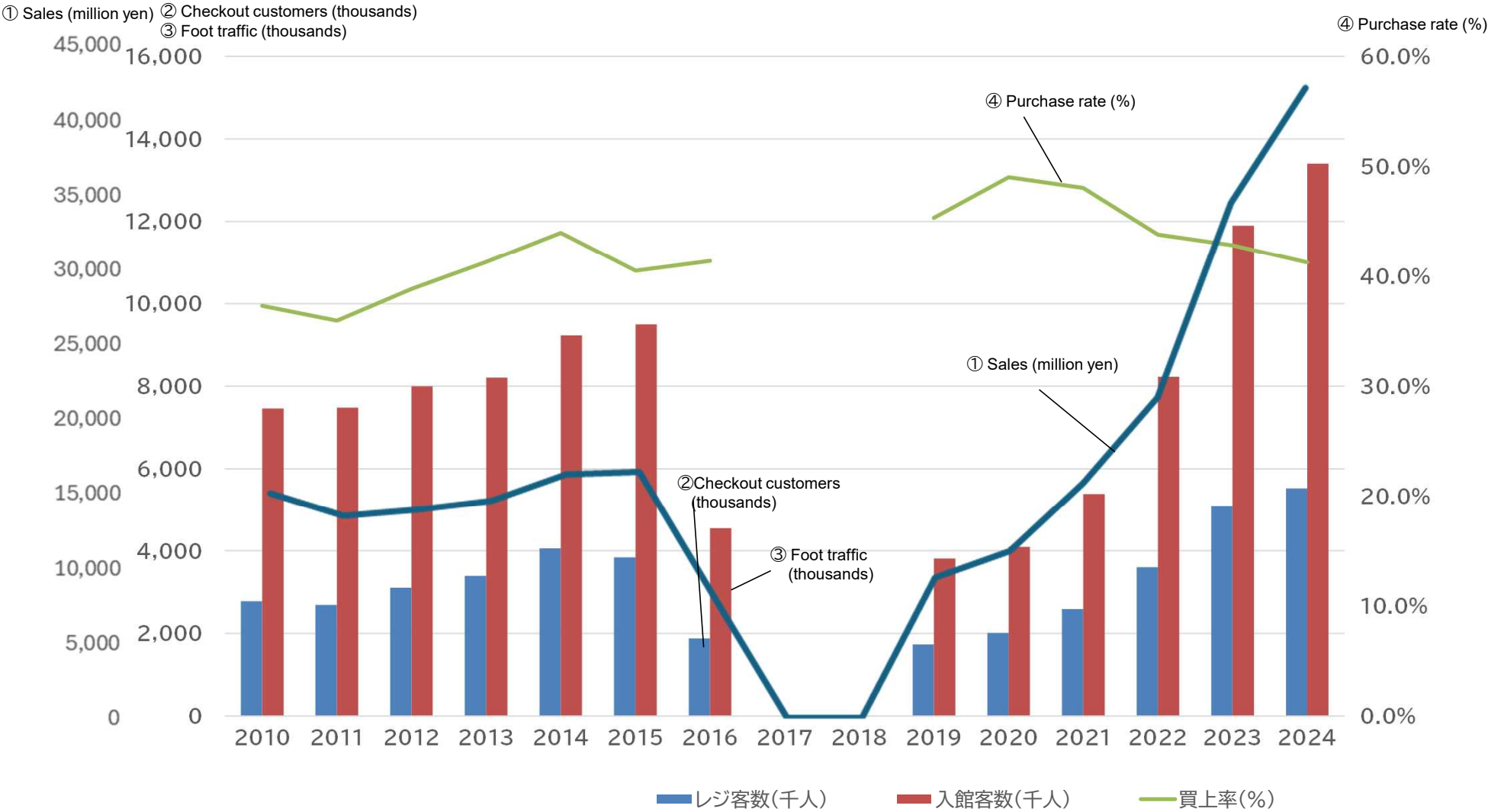
※China duty-free sales include sales for Hong Kong.

22 | Foot traffic to Shibuya PARCO/Purchase rate

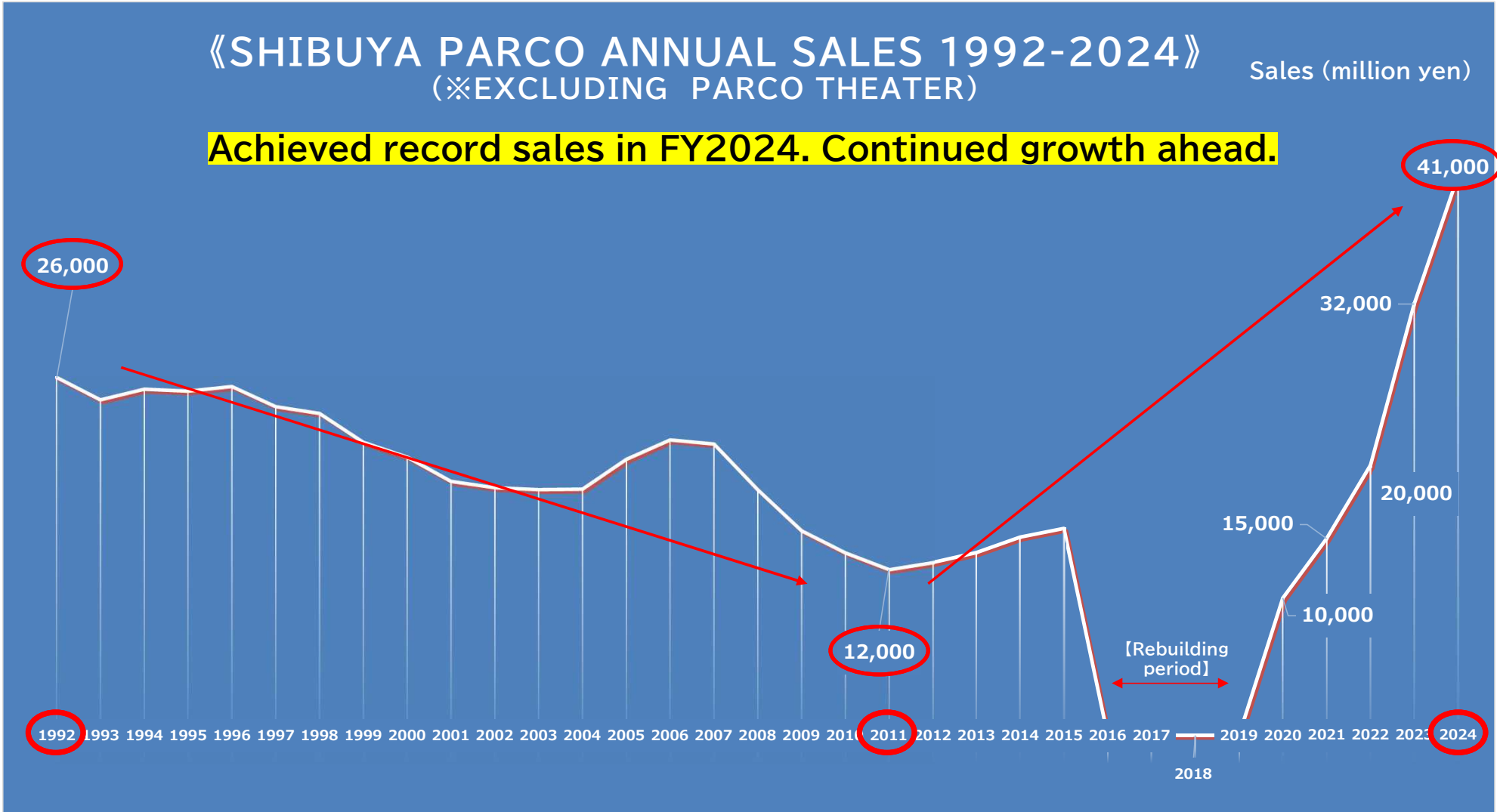
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23 | V-shaped recover in sales after rebuilding/ COVID-19



Why was Shibuya PARCO able to revive and grow?

Point ① Thorough focus on content

【Sales floor story】⇒【Floor layout】⇒【MD】：We always focus on every detail of content and layout methods to enhance added value. By communicating this through optimal digital promotions and events tailored to each piece of content, we have created a unique evolution in “value delivery” by repeating the cycle of value creation and delivery.

Point ② Thoroughly implement a strategy to strengthen our position by capturing customers internationally

We see our customers as people who transcend nationality, age, and gender, who love global, unique culture. With this in mind, we created Shibuya PARCO. We fit into a society that has undergone drastic changes due to the internet and globalization. We convey the worldview of “unique products originating in Japan” without any sense of incongruity, whether it be Nintendo, Comme des Garçons, or Shibuya PARCO.

Point ③ Corporate culture and organizational reform

We restructured our organization from a top-down model to a circle model, shifting from “bosses” to “leaders.” We achieved value creation by implementing flexible organizational reforms that focused on content and enabled the continuous creation of added value.